

Message Text

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15

ACTION COME-00

INFO OCT-01 EUR-25 NEA-10 ISO-00 MC-02 ACDA-19; AID-20

CIAE-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00

XMB-07 OPIC-12 SPC-03 CIEP-02 OMB-01 CAB-09 DODE-00

FAA-00 L-03 SS-20 NSC-10 DRC-01 /169 W

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R 181337Z DEC 73

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 5699

INFO AMEMBASSY KUWAIT

AMEMBASSY RO E

AMEMBASSY LONDON

AMEMBASSY ABU DHABI

AMEMBASSY PARIS

C O N F I D E N T I A L BEIRUT 14342

DEPARTMENT PASS COMMERCE AND EXIMBANK

KUWAIT POUCH TO MUSCAT

E.O. 11652: GDS

TAGS: ETRN, SY

SUBJECT: SYRIAN ARAB AIRLINES

1. DOUGLAS AIRCRAFT/COMPANY SOURCES BEIRUT INDICATE TO RCAA THAT SYRIAN ARAB AIRLINES IS CLOSE TO REACHING A DECISION ON ACQUIRING TWO NEW U.S. JET TRANSPORTS IN THE CATEGORY OF THE MCDONNELL DOUGLAS DC-10-30, THE LOCKHEED L-1011-1 TRISTAR OR THE BOEING 707-320C.

2. ACCORDING GEORGE POHLE, DOUGLAS DIRECTOR HERE, SOURCE OF FUNDING WILL BE MONETARY GIFT FROM SHEIK ZIAD, RULER OF ABU DHABI AND PRESIDENT OF UAE, TO PARTIALLY COVER SYRIAN ECONOMIC LOSSES SUSTAINED DURING RECENT WAR AND AS BROTHERLY GESTURE TO SYRIA.

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3. ACCORDING POHLE, GIFT WAS ORIGINALLY STRUCTURED TO COVER ACQUISITION OF TWO NEW BOEING 707-320C'S COSTING APPROXIMATELY \$25 MILLION, INCLUDING SPARES. HOWEVER, SHEIK ZIAD INDICATED, CCORDING POHLE, THAT THE GIFT COVERED TWO AIRPLANES OF WHATEVER CATEGORY SYRIAN ARAB WOULD REQUIRE, UP TO AND INCLUDING WIDEBODIED AIRCRAFT. COST OF TWO DC-10-30'S, INCLUDING SPARES, WOULD BE APPROXIMATELY \$57-60 MILLION AND THE COST OF TWO L-1011-1 TRISTARS, INCLUDING SPARES, WOULD BE APPROXIMATELY \$48-50 MILLION.

4. POHLE EXPECTS SYRIAN ARAB DECISION AS TO TYPE OF AIRCRAFT POSSIBLY AS EARLY AS THIS WEEK WITH FINAL GO-AHEAD AND INDICATION TO SUCESSFUL MANUFACTURER POSSIBLY DELAYED UNTIL AFTER FIRST OF YEAR.

5. DOUGLAS, LOCKHEED, AND BOEING BEIRUT OFFICES ALL VIGOROUSLY PURSUING THIS SALES OPPORTUNITY FOR NEW U.S. AIRCRAFT.

6. BARCY LELLO, UK REGIONAL CIVIL AIR ATTACHE, VISIT DAMASCUS SATURDAY, DECEMBER 8, AND MET WITH GENERAL ASSAD MOKAYED, CHAIRMAN OF SYRIAN ARAB AIRLINES, WHO INDICATED THAT THE AIRLINE IS IN FACT SHORTLY OREERING TWO WIDEBODIED AIRCRAFT IN THE CATEGORY OF THE LOCKHEED L-1011-1 TRISTAR, MCDONNELL DOUGLAS DC-10-30 OR THE AIRBUS INDUSTRIE A-300B-4 AIRBUS, (THE BOEING 707-320C WAS NOT MENTIONED BY THE CHAIRMAN). RCAA SHARES LELLO'S VIEW THAT THE A-300B-4 WILL PROBABLY BE NONSTARTER DUE TO MAJOR PAYLOAD/RANGE DEFICIENCIES DAMASCUS-LONDON. MOKAYED INDICATED TO LELLO THAT THE THREE AIRCRAFT MANUFACTURERS (LOCKHEED, DOUGLAS AND AIRBUS INDUSTRIE) COMPLETING SYRIAN ARAB QUESTIONNAIRE WITHIN NEXT FEW WEEKS WHICH WILL IN TURN BE EVALUATED BY SYRIAN ARAB MANAGEMENT AND SUCCESSFUL MANUFACTURER SELECTED AND FINAL CONTRACTUAL NEGOTIATIONS EARLY 1974. MOKAYED INDICATED TO LELLO DC-10-30 \$T MILLION MORE EXPENSIVE THAN SHORTER-RANGED L-1011-1 BUT THAT OPERATING (PRIMARILY DIRECT MAINTENANCE) COSTS OF DC-10-30 APPEAR LOWER. LELLO'S GULF SOURCES ALSO POINT TO MONETARY GIFT FROM SHEK ZIAD TO SYRIAN ARAB TO COVER ACQUISITION. CHAIRMAN MOKAYED ALSO INDICATES THE TWO WIDEBODIED AIRCRAFT, IN SYRIAN ARAB COLORS AND SYRIAN REGISTRATION, MAY BE DEPLOYED IN JOINT-OPERATION BY SYRIAN

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ARAB AND AN*OTHER UNSPECIFIED INTERNATIONAL AIR CARRIER (POSSIBLY IRAQI AIRWAYS). LOCKHEED'S LOCALLY-BASED REP BLAINE STEVENS, ACCOMPANIED BY GENEVA-BASED PRODUCT SUPPORT REP. IN DAMASCUS TODAY FOR FURTHER FOLLOW-UP ON TRISTAR, PARTICULARLY MAINTAINABILITY, RELIABILITY, AND OPERATING COST ASPECTS.

BUFFUM

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